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SOURCE US citizen and professor of social science at a large US university.

Source is an authority on Latin American affairs by virtue of having studied the politics and economics of the area for more than ten years and having lived in various Latin American countries for extended periods. Most recently, source made a short trip to Guatemala, where he spent a week in Guatemala City in late January 1954. He had an opportunity to confer with Guatemalan government officials of fairly high rank at that time. He has a number of contacts among political groups in that country. Evaluations of his past reports have indicated his political insights to be well-founded and objective.

1. Q. What is the balance of pro- and anti-Communist political strength? What individuals and groups would be likely to emerge in positions of leadership in a new, anti-Arbenz administration government?
- A. The balancing of political forces is approximately two-thirds anti-government, and one-third pro the current regime. The whole balance of political forces points to the government being overthrown when the situation comes to a head. The opposition people are becoming more bitter against the government, and the government has not been very effective in breaking the strength of the opposition. The opposition consists primarily of landowners. This group is beginning to be more desperate because of the application of the new agrarian reform law, and therefore is willing to take risks. The general attitude among opposition people whose property is not in immediate danger is that the government will fall pretty soon anyway, so the smart thing to do is to sit it out, and when the crisis comes to jump in on the right side. Such a crisis may come at the time of the congressional elections in October 1954 or during the political campaigns immediately preceding that date.

Augusto Charnaud MacDonald, Minister of the Interior, was the hinge of all anti-Communist groups. He is an unpredictable man, and apparently is easily bribed. At one time he was considered to be the leader of the anti-Communist forces in the government, but this is no longer true. He is out for himself, is easily bought, and the rumor is that he has been bought by Communists or by the government,

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and can be bought in the future by either side. Although he is unreliable, he probably would be one focal point for any action to overthrow the current regime and would then very possibly be found in a new regime.

Renovación Nacional (PNR) is one of the four parties in the present government coalition. It is the most conservative of the four and could be found in a new government.

Manuel Noriega Morales, currently President of the Bank of Guatemala, a government position, may emerge as one of the post-revolution leaders. Noriega's family ties within the 1944 Revolution are about as strong as anybody's in Guatemala, and he is quite powerful politically. I think that he would be willing to take part in any major anti-Communist Party or anti-government action at the right time, and if it did not involve undue risk to himself. He is genuinely concerned about the strength of Communism in Guatemala and would participate in a move to reduce that strength, but he would not be willing to risk his physical, political or economic safety. He is a Harvard PhD. He is friendly toward the US, or at least he remembers with affection his student days in the US. He likes to hire US-trained personnel for his bank. I think he regards the US as wrong in its present relations with Guatemala; also he is anti-United Fruit. He strikes me as being an unusually responsible sort of person, not easily bought, and not the usual corrupt politician. He thinks of himself as an intellectual leader and tends not to make statements or adopt positions unless he can make others feel that his views are the result of considered judgment. This is unusual among politicians currently in power in Guatemala.

2. Q. How successful have the Communists been in gaining control of the administration of the agrarian reform law? What is the nature of Communist activity in rural areas? What is the reaction of rural laborers to Communist activity among them?

A. The agrarian reform law sets up a hierarchy of commissions: (a) the national commission, on which the Communists are very influential; (b) in each department there is an agrarian commission; (c) in each municipio there is a local agrarian commission. The actual work of reform, i.e. the selection of lands to be divided and the allocation of these lands, is done by the local commissions. The higher commissions come in only at such times as the landowners appeal the expropriation. The Supreme Court of Guatemala has decided that it will not take the appeals, thus the ultimate appeal is to the National Agrarian Commission where the Communists have their greatest strength. Within the departmental and municipio commissions, the strength of the Communists varies from one area to another. The Tiquisate area and the area NW of Guatemala City both have Communist-dominated commissions. There are other areas, too, which are Communist-dominated. By and large, the commissions are an effective instrument for the Communists. The Communists have gone out and made speeches to the people and helped them with the legalities involved in land transfer. The Communists have been making a concerted effort to arouse the people to consciousness of the agrarian reform law. Incidentally, the law itself provides many things long needed in Guatemala; it is in the administration of the law that it can be used to serve Communist purposes. The reaction of rural laborers to Communist activity is a matter of geographic variation. The local people in the outlying areas where most of the expropriable (that is, currently unutilized and therefore eligible for expropriation) land is,

tend to be unresponsive, unaware and uninterested in the law and its possibilities for them. These people are mostly Indians and their culture has traditionally been unaffected by what the Spanish group does. The greatest response to the law and its administration comes from people living near the big cities, whereas the law should not apply to land in these areas, but only to land in isolated regions. As a result of finding interest only or primarily in the heavily populated areas, there has been a tendency to misuse and misinterpret the law, administering it in such a way that cultivated land is being expropriated because of the active interest in those areas. There are two big sources of friction regarding the agrarian reform law, and these concern (a) the proper administration of the law, and (b) interpretation of the law and the meaning of "uncultivated lands."

3. Q. How do the Communists operate within the current administration?

- A. I was able to learn a good deal about this question during my recent brief visit, and the pattern I discovered is an interesting and, I would gather, fairly standard one for Communists working in a coalition framework. The smallest party in the four-party coalition is the Guatemala Labor Party (formerly called the Guatemala Communist Party and still the same membership). It wields an influence in the government far out of proportion to the number of its members. There are several reasons for this: (a) it maintains tight party discipline, especially as compared with the other three parties which suffer from a good deal of intra-party arguing; (b) it has several highly trained leaders, at least two of whom are Moscow-trained (José Manuel Fortuny, the No. 1 CP leader is supposed to shuttle back and forth to the USSR and also to Mexico; in fact it is rumored that he is really a Mexican and not a Guatemalan at all; Victor Manuel Gutiérrez, the No. 2 man, is also supposed to have travelled to the USSR, although his peregrinations are a lot less frequent than those of Fortuny); (c) it is a very dedicated group, and not corrupt as is the case with the other three parties. The Communists work very hard for the government, which the other parties' members are not always willing to do. When it comes to parcelling out the work on given problems at cabinet meetings, it is the Communists who do the tedious job of drafting bills and decrees. The tendency of President Arbenz is to appreciate the work done by the Communists. The other parties deplore it, but they are not willing to vote against a measure, the basic outlines of which they have all previously agreed to, simply because the Communists wrote the draft. Most of the dull, routine work the Communists will do and the others won't. The Communists are hard working and, in a peculiar way, honest.

In addition to the foregoing, the Communists in the cabinet have an unusual relationship with Arbenz. He is essentially a military man, and he shuns most of the political requirements of his job; he hates speech-writing and speech-making. Consequently, he turns to the Communists for help, and they are always there. ("Here's a speech we wrote; perhaps you could use it, Mr President.") He is appreciative of the fact that they perform distasteful tasks for him. While I don't think that Arbenz is a Communist, there are many who believe that his wife is, or at least that she is an active fellow traveller.

Fortuny, Gutiérrez and, on a lower level, Victor Guerra Borges are the three most active Communists in Guatemala. Guerra Borges is editor of the Communist Party newspaper, Tribuna Popular. I met him and asked for an interview with him on Communist attitudes concerning a number of issues.

He countered by asking me for the questions in writing, promising that he would in turn send me written answers which would represent the official CP position. I wrote out 16 questions, but I have never received any answers, nor do I think that I will. As a person, Guerra Borges seems friendly, congenial and polite. I would guess him to be in his middle 40s.

There are several situations in Guatemala which play directly into the hands of the CP: (a) the traditional anti-US feeling; (b) the position taken by United Fruit; and (c) the Guatemalan view of the US Department of State vis-a-vis United Fruit. This last situation has put the US in the unfortunate position of turning large numbers of Guatemalans against the US who would not otherwise or necessarily be anti-US. There is a feeling among the Guatemalan intelligentsia that the agrarian reform law is a good piece of much-needed legislation; thus when the State Department opposes the application of this agrarian law to United Fruit, it seems to put the US in the position of opposing that social and economic reform which non-Communists think is good and necessary. In Guatemala there are many non-Communists in positions of importance who have dangerous misconceptions about the US. One such is Raúl Osegueda, Foreign Minister until several weeks ago. He is not a Communist, yet he compares the things the Communists do with those the US does, and he says that if it came to a showdown he would have difficulty in choosing between the two. He talked about a United Fruit lawsuit in Boston where the lawyer for United Fruit was a member of Dulles' firm. From this he concluded that United Fruit is behind all US policy, and this he claimed was no better than what the Communists would do. Further, Osegueda quoted a discussion he had with United Fruit representatives in Guatemala. He said that during this discussion he pointed out that the new agrarian reform law was based in part on Lincoln's Homestead Law and on some of Thomas Jefferson's remarks. In reply to this, according to Osegueda, the United Fruit people commented: "We came here to talk money and not principles." It appears to me that United Fruit has not adjusted well and has poor public relations, as contrasted with such US companies as Sears, Roebuck; Goodyear and some of the oil companies which, as a result of their intelligent policies and public relations, are welcomed in Latin America.

So far, there have been no important issues on which the Communists have adopted a position different from that of the other three coalition parties. The Communists may do so eventually. When they do try, I don't think that they can carry a situation which would be opposed by the other three parties acting in concert. The Communists don't have the army under their control, although I don't know the politics of the army. The police, under Charnaud MacDonald, may be politically unreliable. The Communists do control some communications and the top level of the agrarian commission, but that is inadequate strength with which to win in a decisive blow-up. They are probably well aware of all this, and are therefore playing it cagey.

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